

Message Text

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PAGE 01 ANKARA 05042 110847Z
ACTION OPIC-06

INFO OCT-01 EUR-12 ISO-00 EB-08 AID-05 SSO-00 XMB-04
COME-00 CIAE-00 FRB-01 INR-10 NSAE-00 TRSE-00
SP-02 LAB-04 SIL-01 OMB-01 SS-15 STR-07 CEA-01
INRE-00 NSCE-00 ICAE-00 /078 W
-----083950 110900Z /10/44

O 101215Z JUL 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 2563

UNCLAS ANKARA 5042

C O R R E C T E D C O P Y (TEXT)

FOR OVERSEAS PRIVATE INVESTMENT CORPORATION

E.O. 11652: NA
TAGS: EINV, TU
SUBJ: INCONVERTIBILITY CLAIM OF AMERICAN HOME PRODUCTS
CORPORATION

REF: (A) STATE 166784, (B) ANKARA 4931

1. EMBASSY HAS RECEIVED LETTER DATED JUNE 30, 1978,
FROM MINISTRY OF FINANCE REFERRING TO OUR TRANSMITTAL LETTER
OF JUNE 1 (REF B) ON THIS SUBJECT, INFORMAL TRANSLATION OF WHICH
FOLLOWS:

2. "AS YOU KNOW, TURKISH LIRAS ORIGINATING FROM
THE AGRICULTURAL SURPLUS AGREEMENT MADE BETWEEN THE
US GOVERNMENT AND OUR GOVERNMENT IN ACCORDANCE
WITH US LAW PL 480 HAVE BEEN ACCUMULATED UNDER A
FUND CALLED 'COOLEY LOAN' AND MADE AVAILABLE TO
WYETH LABORATUVARLARI A.S. AND EIGHT OTHER
CORPORATIONS ESTABLISHED IN TURKEY AS CREDIT ON
CERTAIN CONDITIONS. ONE OF THESE CONDITIONS, AND THE
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PAGE 02 ANKARA 05042 110847Z

MOST IMPORTANT ONE, IS THAT THE SHARES OF PROFIT
ATTRIBUTABLE TO THESE CREDITS UNDER NO CIRCUMSTANCES
BE TRANSFERRED ABROAD.

3. "IT WAS AGREED THAT MONEY THAT COULD NOT BE
TRANSFERRED BY BLOCKED IN ACCORDANCE WITH THE PROVISIONS
OF DECREE NO 17 (LAW OF PROTECTION OF TURKISH CURRENCY);

HOWEVER, LEGAL ACTION WAS BROUGHT BY THE COMPANIES AGAINST OUR MINISTRY AT THE COUNCIL OF STATE ON THIS POINT. THE DECISION OF THE COUNCIL OF STATE IN THE CASE OF CHYSLER A.S., AMONG THESE COMPANIES, HOLDING AGAINST THE COMPANIES' CONTENTION INDICATES THAT THE ACTION OF OUR MINISTRY CONFORMED WITH THE REQUIREMENTS OF LAW AND REGULATIONS.

4. "OUR MINISTRY HAS AGREED THAT THE COMPANIES COULD USE THESE AMOUNTS OF MONEY FREELY DURING THE THREE YEARS OF THE 1971-74 PERIOD, PROVIDED THAT THE COMPANIES FULFILL CERTAIN EXPORT OBLIGATIONS AND THAT, AT THE END OF THIS PERIOD, PREVIOUSLY DETERMINED AMOUNTS BE BLOCKED IN ACCORDANCE WITH THE REQUIREMENTS OF DECREE NO 17. AS A RESULT, SOME OF THE COMPANIES AGAIN RESORTED TO LEGAL ACTION AGAINST OUR MINISTRY AT THE COUNCIL OF STATE.

5. "THERE IS NO DOUBT THAT THE ACTION OF OUR MINISTRY REGARDING THE BLOCKING OF ASSETS WILL BE IN ACCORDANCE WITH THE DECISION OF THE COUNCIL OF STATE, WHICH IS THE HIGHEST ADMINISTRATIVE COURT (IN TURKEY). FOR THIS REASON THERE IS NOTHING TO BE DONE BY OUR MINISTRY REGARDING SUBJECT REQUEST. KINDLY BE INFORMED. END QUOTE.

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PAGE 03 ANKARA 05042 110847Z

6. LETTER IS SIGNED BY MR M CETIN HACALOGLU, GENERAL DIRECTOR.
DILLON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, INVESTMENT GUARANTEES, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ANKARA05042
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780285-1057
Format: TEL
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780781/aaaacqhk.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5794e378-c288-dd11-92da-001cc4696bcc
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 166784, 78 ANKARA 4931
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2075484
Secure: OPEN
Status: NATIVE
Subject: INCONVERTIBILITY CLAIM OF AMERICAN HOME PRODUCTS CORPORATION
TAGS: EINV, TU, US
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/5794e378-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014